

**INTRODUCTION TO THE COMMUNITY DEVELOPMENT BLOCK GRANT  
PROPOSAL SUBMISSION FORM  
FY 2009/2010**

**APPLICATION DUE DATE: FRIDAY, NOVEMBER 21, 2008, 5:00 P.M. MST**

When completed, this CDBG proposal submission will provide a specific description of the activity for which you are seeking funds and allow our office to determine whether or not programs being considered for funding will use CDBG funds for eligible activities only. The proper classification of activities is also important because the CDBG program statutes and regulations place specific requirements on certain activities and not on others. For example, there is a statutory and regulatory limitation on the amount of CDBG funds which may be used for public services. There is a similar limitation on the amount of CDBG funds which may be used for planning and administrative costs.

The statutes and regulations also place special requirements on such activities as code enforcement and assistance to for-profit business for economic development projects. An improperly classified activity may be unnecessarily subject to an inapplicable requirement or, conversely, it may be carried out in a manner contrary to the intent of the law.

This proposal undertakes to define the scope of your program within the eligibility of the Community Development Block Grant. Six steps are involved in the program review of your responses to the application questions.

The first step is to determine if the activity is included within the listing of eligible activities in the CDBG regulations, as modified by statutory amendments. Eligible activity categories follow this narrative.

The second step is to determine if the proposed activity falls within a category of explicitly ineligible activities, despite its apparent inclusion within the listing of eligible activities. For example, while many public facilities are eligible for assistance, there is an explicit statutory and regulatory bar to providing assistance to "buildings for the general conduct of government".

The third and probably most important step is a determination if the proposed program meets one of the national objectives of the CDBG program:

- Benefiting low and moderate (L/M) income persons
- Addressing slums or blight
- Meeting a particularly urgent community development need

The fourth step is to ensure that carrying out the activity with CDBG funds will not result in the award violating the City's certification that at least 70% of the CDBG funds will benefit L/M income persons over the fiscal year July 1 through June 30.

The fifth step is to review proposed costs of the activity to determine if they appear to be necessary and reasonable and will otherwise conform with OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations". If a non-profit organization or educational institution is involved, then review of the program in the context of OMB No. A122, "Cost Principles for Nonprofit Organizations" and/or OMB A-110, "Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations" is required as applicable.

The sixth step is to determine whether the proposed program meets local community priorities, including, but not limited to, those described in the Consolidated Plan.

## **ADDITIONAL GUIDANCE**

Considering the broad range of activities which may be carried out with CDBG funds and the need for interpretation of the applicability of requirements to many differing factual situations, we cannot hope to provide answers to all questions about activity eligibility in this brief summary.

**To avoid potential problems, applicants are encouraged to contact the City's Community Assistance Office at (480) 312-7647, for further clarification when requirements appear unclear.**

## **ELIGIBLE CDBG ACTIVITY CATEGORIES**

**Acquisition of Real Property**

**Assistance to For-Profit Businesses (for the creation of jobs for low and moderate income people)**

**Clearance**

**Code Enforcement**

**Commercial or Industrial Rehabilitation**

**Disposition (disposal of real property)**

**Historic Preservation**

**Housing Rehabilitation**

**Housing Services**

**Interim Assistance (usually limited improvements as a prelude to permanent improvements)**

**Lead Based Paint Hazard Removal**

**Loans to Subrecipients**

**Loss of Rental Income (normally in association with relocation of persons)**

**New Housing Construction**

**Planning and Capacity Building (generally studies, data gathering, preparation of plans and identification of actions that will implement plans)**

**Privately Owned Utilities (acquisition, rehabilitation, installation)**

**Program Administration Costs (generally reserved for the City exclusively)**

**Public Facilities and Improvements**

**Public Services**

**Relocation**

**Removal of Architectural Barriers**

**Special Activities by Subrecipients**

**Special Economic Development**

**Use for Micro Enterprises**

**City of Scottsdale**

**CDBG/HOME Programs**

**Annual Income Guidelines**

**Effective February 13, 2008 from the Department of Housing and Urban Development (HUD)**

<b>HOUSEHOLD SIZE (Persons)</b>	<b><u>30%</u></b>	<b><u>50%</u></b>	<b><u>80%</u></b>
1	\$13,500	\$22,450	\$35,950
2	\$15,400	\$25,700	\$41,100
3	\$17,350	\$28,900	\$46,200
4	\$19,250	\$32,100	\$51,350
5	\$20,800	\$34,650	\$55,450
6	\$22,350	\$37,250	\$59,550
7	\$23,850	\$39,800	\$63,650
8	\$25,400	\$42,350	\$67,800

**Median Family Income \$64,200**